



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0278	<b>Title:</b>	Continue genetics program and fee
<b>Primary Sponsor:</b>	Stoker, Ron	<b>Status:</b>	As Introduced-Revised

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$279,616	\$288,004	\$296,644	\$305,544
Other (06)	\$9,720	\$9,720	\$9,720	\$9,720
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$279,616	\$288,004	\$296,644	\$305,544
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### **Description of fiscal Impact:**

This bill will continue the genetics program fee at the current rate of \$1.00 per insurance policy to provide comprehensive new-born follow-up services. The existing statute moves the fee from \$1.00 to \$0.70, effective July 1, 2007.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **State Auditor's Office - Revenues**

1. There is no fiscal impact to the State Auditor's Office due to this bill. The State Auditor collects the genetic fee and transfers the revenues to the state special revenue fund provided for in Section 1 of this bill for the genetics program.

2. The State Auditor's Office estimates that the genetics fee will raise revenue of approximately \$932,053 per year in the coming years at the \$1.00 level.
3. Under current law the fee will be reduced to \$0.70. At this level, the genetics fee would raise \$652,437 in revenue in FY 2008 for the genetics program.
4. This bill is estimated to collect \$279,616 starting in FY 2008 more than current law.
5. There will be a 3% increase in the number of insurance policies for FY 2009, FY 2010 and FY 2011.
  - o FY 2008,  $932,053 \times \$1 = 932,053$ ;  $932,053 \times \$0.70 = \$652,437$ ;  $932,053 - \$652,437 = \$279,616$ ,
  - o FY 2009,  $932,053 \times 3\% = 27,962$ ;  $932,053 + 27,962 = 960,015$   $960,015 \times \$1 = \$960,015$ ;  $960,015 \times \$0.70 = \$672,011$ ;  $960,015 - \$672,011 = \$288,004$ ,
  - o FY 2010,  $960,015 \times 3\% = 28,800 + 960,015 = 988,815$   $988,815 \times \$1 = \$988,815$ ;  $988,815 \times \$0.70 = \$692,171$ ;  $988,815 - \$692,171 = \$296,644$
  - o FY 2011,  $988,815 \times 3\% = 29,664 + 988,815 = 1,018,479$   $1,018,479 \times \$1.00 = \$1,018,479$ ;  $1,018,479 \times \$0.70 = \$712,935$ ;  $1,018,479 - \$712,935 = \$305,544$

### **Department of Public Health and Human Services (DPHHS) - Expenditures**

6. Existing law and the executive budget reduce the fee to \$0.70 per policy, based on current statute. DP 70104 reduces the genetics program fee revenue estimates based on the sunset provision of SB275 of the 2005 Legislative session.
7. It is assumed that additional annual expenditures for the genetics program will increase to the extent of additional annual revenue. Specific services that will be funded include providing a voluntary statewide genetics program to offer testing, counseling, and education to parents and prospective parents as provided in Montana Code Annotated (MCA) Section 50-19-211.

### **Department of Administration**

8. It is assumed that 32,400 Montana residents (state employees, beneficiaries and retirees) are insured under the State of Montana health plan, and this number remains constant in future years.
9. Currently, 33-2-712(2) MCA has the genetics fee set at \$1 per each Montana resident insured under any health insurance policy, and beginning in FY 2008 this rate is to drop to \$0.70 per each insured resident. The next biennium budget for the health insurance plan is established to cover the genetics fee at a rate of \$1 as no adjustment was submitted in the budget development process to record the impending drop in rate. Also, due to the limited of the cost of this bill, it is assumed that the benefits fund will absorb the additional \$0.30/insured cost in its current funding.
10. The total cost to the benefits fund from HB 278 is \$9,720 annually ( $\$0.30 \times 32,400$ ). It is assumed that this fee is paid to a general fund program within the State Auditor's Office.

*Genetics Program and Revenue - DPHHS*

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Benefits	\$279,616	\$288,004	\$296,644	\$305,544
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$279,616	\$288,004	\$296,644	\$305,544
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$279,616	\$288,004	\$296,644	\$305,544
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

*Department of Administration – Health Services*

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$9,720	\$9,720	\$9,720	\$9,720
<b>TOTAL Expenditures</b>	<b>\$9,720</b>	<b>\$9,720</b>	<b>\$9,720</b>	<b>\$9,720</b>
<b><u>Funding of Expenditures:</u></b>				
Other (06)	\$9,720	\$9,720	\$9,720	\$9,720
<b>TOTAL Funding of Exp.</b>	<b>\$9,720</b>	<b>\$9,720</b>	<b>\$9,720</b>	<b>\$9,720</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
Other (06)	(\$9,720)	(\$9,720)	(\$9,720)	(\$9,720)

**Combined Fiscal Impact: DPHHS and Department of Administration**

Operating Expenses	\$9,720	\$9,720	\$9,720	\$9,720
Benefits	\$279,616	\$288,004	\$296,644	\$305,544
<b>TOTAL Expenditures</b>	<u>\$289,336</u>	<u>\$297,724</u>	<u>\$306,364</u>	<u>\$315,264</u>

**Funding of Expenditures:**

State Special Revenue (02)	\$279,616	\$288,004	\$296,644	\$305,544
Other (06)	\$9,720	\$9,720	\$9,720	\$9,720
<b>TOTAL Funding of Exp.</b>	<u>\$289,336</u>	<u>\$297,724</u>	<u>\$306,364</u>	<u>\$315,264</u>

**Revenues:**

State Special Revenue (02)	\$279,616	\$288,004	\$296,644	\$305,544
Other	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$279,616</u>	<u>\$288,004</u>	<u>\$296,644</u>	<u>\$305,544</u>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

State Special Revenue (02)	\$0	\$0	\$0	\$0
Other	(\$9,720)	(\$9,720)	(\$9,720)	(\$9,720)

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*